

SENATE BILL No. 555

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-31-6.

Synopsis: Assessment of low income rental housing. Requires the determination of the true tax value of low income rental housing using the capitalization of income method of valuation under rules of the department of local government finance.

Effective: July 1, 2003.

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January 23, 2003, read first time and referred to Committee on Finance.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 555

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-31-6, AS AMENDED BY P.L.90-2002,
2 SECTION 222, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) With respect to the
4 assessment of real property, the rules of the department of local
5 government finance shall provide for:
6 (1) the classification of land on the basis of:
7 (i) acreage;
8 (ii) lots;
9 (iii) size;
10 (iv) location;
11 (v) use;
12 (vi) productivity or earning capacity;
13 (vii) applicable zoning provisions;
14 (viii) accessibility to highways, sewers, and other public
15 services or facilities; and
16 (ix) any other factor that the department determines by rule is
17 just and proper; and



(2) the classification of improvements on the basis of:

- (i) size;
- (ii) location;
- (iii) use;
- (iv) type and character of construction;
- (v) age;
- (vi) condition;
- (vii) cost of reproduction; and
- (viii) any other factor that the department determines by rule is just and proper.

(b) With respect to the assessment of real property, the rules of the department of local government finance shall include instructions for determining:

- (1) the proper classification of real property;
- (2) the size of real property;
- (3) the effects that location and use have on the value of real property;
- (4) the depreciation, including physical deterioration and obsolescence, of real property;
- (5) the cost of reproducing improvements;
- (6) the productivity or earning capacity of land; and
- (7) the true tax value of real property **which, except as provided in subsection (d), shall be** based on the factors listed in this subsection and any other factor that the department determines by rule is just and proper.

(c) With respect to the assessment of real property, true tax value does not mean fair market value. True tax value is the value determined under the rules of the department of local government finance.

(d) The rules of the department of local government finance shall include instructions for determination of the true tax value of low income rental housing using the capitalization of income method of valuation.

(e) The true tax value of low income rental housing shall be determined using the rules referred to in subsection (d).

SECTION 2. [EFFECTIVE JULY 1, 2003] (a) IC 6-1.1-31-6, as amended by this act, applies only to property taxes first due and payable after December 31, 2004.

(b) This SECTION expires January 1, 2006.

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